

# *PEI Aquaculture and Fisheries Research Initiative Inc. Annual Report 2006/2007*



Agriculture, Fisheries  
and Aquaculture



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*Annual Report 2006/2007*

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## Message from the Minister

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To the Honourable Barbara A. Hagerman  
Lieutenant Governor of Prince Edward Island  
P.O. Box 846  
Charlottetown, PE C1A 7L9



May It Please Your Honour:

I have the honour to submit herein the annual report of the Prince Edward Island Aquaculture and Fisheries Research Initiative for the period April 1, 2006 to March 31, 2007

Respectfully submitted,

A handwritten signature in cursive script that reads "Allan V. Campbell".

Allan V. Campbell, *Minister*  
Fisheries and Aquaculture



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## Board of Directors

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Richard Gallant .....	Chairperson
Jim Bellamy .....	Member
Jerry Bidgood .....	Member
Bob Fortune .....	Member
David Lewis .....	Member
Bobby MacInnis .....	Member
Crystal McDonald .....	Member
Ken Moyaert .....	Member
Jeff White .....	Member
Kelly Cantelo .....	Program Officer and Recording Secretary

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## Board of Director's Report

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The Board of Directors is pleased to submit the annual report highlighting the activities of the *Prince Edward Island Aquaculture and Fisheries Research Initiative* for the 2006-2007 fiscal year.

The corporation was established to encourage short-term applied or developmental aquaculture and fisheries research in partnership with individuals, businesses and organizations.

The corporation is managed by a board of directors representing government, research agencies and industry. The board held four meetings and the Annual Shareholders meeting.

### **Approved Projects:**

- **Investigation into the Life Cycle, Impact on Mussel Culture and Mitigation Strategies for the Vase Tunicate in PEI**

Applicants: PEI Aquaculture Alliance and the Department of Agriculture, Fisheries and Aquaculture

Term of project: One year

Project cost: \$128,136

AFRI approved: \$59,861.33

- **Development of Mitigation Strategies for the Management of Invasive Tunicate Species in PEI**

Applicants: PEI Aquaculture Alliance and the Department of Agriculture, Fisheries and Aquaculture

Term of project: Four years

Project cost: \$3,816,600

AFRI approved: \$180,000

- **Identification and Characterization of Bio-Active Compounds in PEI Mussels and Oysters**

Applicant: PEI Seafood Processors Association

Term of project: One year

Project cost: \$229,557.50

AFRI approved: \$60,000

- **Innovative Scallop Culture Gear Development Project**

Applicant: Northumberland Strait Diversification Sea Scallop Research Group

Term of project: Three years

Project cost: \$110,000

AFRI approved: \$56,000



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### ***Ongoing Projects:***

- **Seafood Waste Strategy**  
Applicant: PEI Seafood Processors Association  
Term of project: One year  
Project cost: \$61,062  
AFRI approved: \$48,000
- **Cliona (Boring Sponge) Research Project**  
Applicant: Island Prince Aqua Farms  
Term of project: Three years  
Project cost: \$192,769.48  
AFRI approved: \$17,343.88

### ***Closed Projects:***

- **Evaluation of Quail Egg Sourced Polyclonal Antibodies**  
Applicant: OvaPharm  
Project Cost: \$46,359.23  
AFRI Contribution: \$5,731.06
- **Rapid Response for Aquatic Invasive Species**  
Applicant: PEI Aquaculture Alliance  
Project Cost: \$30,707.49  
AFRI Contribution: \$24,565.99
- **Investigation into the Life Cycle, Impact on Mussel Culture and Mitigation Strategies for Two New Invasive Colonial Tunicates, the Golden Star Tunicate and the Violet Tunicate, in Savage Harbour, PEI**  
Applicant: PEI Aquaculture Alliance  
Project Cost: \$42,580.61  
AFRI Contribution: \$34,064.49

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## Auditor General's Report

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Prince Edward Island Île-du-Prince-Édouard

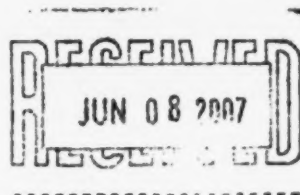
Office of the  
Auditor General

PO Box 2000, Charlottetown PE  
Canada C1A 7N8

Bureau du  
vérificateur général

C.P. 2000, Charlottetown PE  
Canada C1A 7N8

June 6, 2007



Mr. Richard Gallant  
Chairperson  
P.E.I. Aquaculture and Fisheries Research Initiative Inc.  
Province of Prince Edward Island

Dear Mr. Gallant:

Enclosed are three copies of the financial statements of the P.E.I. Aquaculture and Fisheries Research Initiative Inc. for the year ended March 31, 2007. These statements have been prepared on the basis that the Fund will receive approval to retain its surplus as has been the case in previous years. If approval is not granted, the statements will need to be revised.

Please have these statements signed by members of the Board and return all three copies to this office for signature by the Auditor General.

If you have any questions, please do not hesitate to contact the office.

Yours truly,

*Allan Moore*

Allan Moore, CA  
Audit Director

AM/ts  
Enclosure (3)



**AUDITOR GENERAL**

**CHARLOTTETOWN  
PRINCE EDWARD ISLAND**

**PEI AQUACULTURE AND FISHERIES**

**RESEARCH INITIATIVE INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2007**

## **AUDITOR'S REPORT**

To the Board of Directors of the  
PEI Aquaculture and Fisheries Research Initiative Inc.

I have audited the balance sheet of the PEI Aquaculture and Fisheries Research Initiative Inc. as at March 31, 2007 and the statements of revenues, expenditures and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Colin Younker, CA  
Auditor General

Charlottetown, Prince Edward Island  
May 7, 2007

## STATEMENT 1

## PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

## BALANCE SHEET

AS AT MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash	\$187,836	\$218,378
Short term investments - Note 2	449,447	436,446
Accounts receivable - Province of PEI	<u>100,000</u>	<u>75,000</u>
	<u>\$737,283</u>	<u>\$729,824</u>
<b>LIABILITY AND SHAREHOLDER'S EQUITY</b>		
Accrued liability	<u>\$ 38,602</u>	<u>\$ 59,168</u>
Shareholder's equity		
Share capital - Note 4	100	100
Surplus - Statement 2	<u>698,581</u>	<u>670,556</u>
	<u>698,681</u>	<u>670,656</u>
	<u>\$737,283</u>	<u>\$729,824</u>

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

DIRECTOR: *Christopher McDonald*DIRECTOR: *Richard Gallant*

STATEMENT 2

PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

STATEMENT OF REVENUES, EXPENDITURES AND SURPLUS

FOR THE YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
Revenues		
Provincial grant	\$100,000	\$ 75,000
Interest revenue	<u>21,915</u>	<u>19,651</u>
	<u>121,915</u>	<u>94,651</u>
Expenditures		
Administration	6,508	7,143
Research projects	<u>87,382</u>	<u>65,873</u>
	<u>93,890</u>	<u>73,016</u>
Net gain for the year	28,025	21,635
Surplus, beginning of year	<u>670,556</u>	<u>648,921</u>
Surplus, end of year	<u>\$698,581</u>	<u>\$670,556</u>

(The accompanying notes are an integral part of these financial statements.)

## STATEMENT 3

## PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2007

	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Province	\$ 75,000	\$100,000
Receipts from investment transactions - net	-	126,631
Payments to projects	(107,948)	(208,581)
Payments for administration costs	(6,508)	(1,518)
Interest received	<u>8,914</u>	<u>5,033</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(30,542)</b>	<b>21,565</b>
<b>CASH</b>		
Balance, beginning of year	<u>218,378</u>	<u>196,813</u>
Balance, end of year	<u>\$187,836</u>	<u>\$218,378</u>

(The accompanying notes are an integral part of these financial statements.)

**PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2007**

**1. Operations**

The PEI Aquaculture and Fisheries Research Initiative Inc. was incorporated on March 27, 1996 under Part 1 of the Companies Act. The main objective of the corporation is to provide funds for aquaculture, commercial fisheries and processing research in the Province.

**2. Short Term Investments**

Short Term Investments are interest bearing investments that are carried at cost plus accrued interest. Since these investments are held for a short period of time, their market value approximates their carrying value.

**3. Commitments**

In addition to the accrued liability, the corporation has approved one research project providing a future commitment of \$30,000.

**4. Share Capital**

The corporation has authorized 5,000 common shares with a \$1 par value. As at March 31, 2007, there were 100 common shares issued and outstanding. The Government of Prince Edward Island, as represented by the Minister of Agriculture, Fisheries and Aquaculture, is the sole shareholder.

**5. Provincial Administrative Expenses**

Costs incurred by the Department of Agriculture, Fisheries and Aquaculture on behalf of the PEI Aquaculture and Fisheries Research Initiative Inc. in administering this fund are not reflected in these financial statements. These costs include salary and related employee benefits, office accommodations, and miscellaneous administrative expenses.

**6. Fair Value of Financial Assets and Liability**

The fair value of the entity's cash, short term investments, accounts receivable and accrued liability approximate their carrying values.



Printed by the Document Publishing Centre  
Design: Strategic Marketing and Graphic Design  
2007

07F135-17762